

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 IO-13 ISO-00 CIAE-00 DODE-00 PM-04
H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01
SP-02 SS-15 USIA-06 AID-05 COME-00 EB-07 FRB-03
TRSE-00 XMB-02 OPIC-03 LAB-04 EPG-02 SIL-01
OMB-01 STR-04 ITC-01 JUSE-00 /114 W
-----023832 011857Z /44

R 011112Z JUL 77
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 6819
INFO AMEMBASSY ABU DHABI
AMCONSUL ALEXANDRIA
AMEMBASSY AMMAN
AMEMBASSY BONN
AMEMBASSY DAMASCUS
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MANAMA
AMEMBASSY MUSCAT
AMEMBASSY PARIS
AMEMBASSY SANA
AMEMBASSY TEHRAN
AMEMBASSY TEL AVIV
USMISSION USUN NY

C O N F I D E N T I A L CAIRO 11001

E.O. 11652: GDS
TAGS: ETRD, EG
SUBJECT: COMMENTS OF EGYPTIAN OFFICIAL ON BOYCOTT MATTERS

REF: CAIRO 10480

1. SUMMARY. GOE OFFICIAL HAS INDICATED THAT FORD AND
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COCA COLA WERE DEFINITELY NOT REMOVED FROM BOYCOTT LIST AT
ALEXANDRIA MEETING, ALTHOUGH "SOMETHING MIGHT HAVE BEEN
DON" FOR THESE COMPANIES IF THEY HAD REPRESENTED EVIDENCE
ON BASIS OF WHICH CASE FOR REMOVAL COULD HAVE BEEN MADE.
XEROX WAS NOT DISCUSSED AT ALEXANDRIA. ACCORDING TO OFFICIAL,
ANOTHER MEETING OF BOYCOTT COMMITTEE IS PLANNED
FOR "NEXT MONTH" IN DAMASCUS. END SUMMARY.

2. LOCAL REP OF U.S. BANK, WHO IS WELL AND FAVORABLY KNOWN TO EMBASSY, HAS TOLD US OF RECENT CONVERSATION WITH RAUF MOHAMED ALI, EGYPTIAN MINTRADE UNDERSECRETARY DIRECTLY CONCERNED WITH BOYCOTT MATTERS, ABOUT RECENTLY CONCLUDED ALEXANDRIA CONFERENCE. ALI INDICATED THAT MOST IMPORTANT ACTION TAKEN BY FIRMS WHICH HAD BEEN REMOVED FROM BOYCOTT LIST (HE MENTIONED BARCLAYS) AND BY MANY FIRMS WHICH HAD BEEN "CLEARED" BY BOYCOTT COMMITTEE AFTER PREVIOUSLY HAVING BEEN WARNED OR QUESTIONED ABOUT THEIR ACTIVITIES HAD BEEN TO FURNISH DOCUMENTARY EVIDENCE WHICH EGYPTIANS AND OTHER MODERATES COULD USE AS BASIS FOR SEEKING FAVORABLE DECISION FROM COMMITTEE.

3. IMPLICATION WAS THAT TYPE OF EVIDENCE ALI HAD IN MIND WAS THAT (SUCH AS WE KNOW WAS FURNISHED BY BARCLAYS) ATTESTING TO SIGNIFICANCE OF FIRMS' ACTIVITIES IN ARAB WORLD. HE INDICATED THAT IF FORD AND COCA COLA HAD PRESENTED SOLID EVIDENCE ON BASIS OF WHICH EGYPTIANS AND OTHER MODERATES COULD HAVE SPOKEN UP IN THEIR BEHALF, "SOMETHING POSITIVE" MIGHT ALSO HAVE BEEN DONE FOR THEM. ALTHOUGH ALI STOPPED SHORT OF SAYING THAT REMOVAL WOULD HAVE BEEN CERTAIN, HE CLEARLY FELT COMPANIES HAD ERRED IN NOT AT LEAST MAKING STRONG PRESENTATION TO BOYCOTT AUTHORITIES. SINCE FORD AND COCA COLA HAD FAILED TO DO THIS, THERE WAS NO BASIS FOR THEIR REMOVAL FROM LIST.
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XEROX CASE, ALI SAID, NEVER CAME UP AND WAS NEVER DISCUSSED AT ALEXANDRIA MEETING.

4. ALI ALSO SAID HE EXPECTED ANOTHER BOYCOTT COMMITTEE MEETING TO TAKE PLACE "NEXT MONTH" (JULY) IN DAMASCUS. NO FURTHER DETAILS ON THIS MEETING WERE FORTHCOMING.

5. COMMENT. AS DEPARTMENT AWARE, CABINET-LEVEL GOE OFFICIAL HAS REPRIMANDED COCA COLA FOR AND WARNED FORD AGAINST DIRECT CONTACTS WITH BOYCOTT OFFICIALS AS WAY OF ATTEMPTING BE REMOVED FROM BOYCOTT LIST. REMARKS BY ALI THAT DIRECT APPROACH MIGHT HAVE BEEN FRUITFUL FOR COMPANIES ARE THEREFORE OF SOME INTEREST. DIFFERENCE OF VIEW MAY IN PART BY SIMPLY ATTEMPT BY EACH OFFICIAL TO STRESS IMPORTANCE OF HIS OWN ROLE. (ADDITIONAL DETAILS ON THIS QUESTION WITH RESPECT TO FORD CASE BEING REPORTED SEPTEL.)

6. ANOTHER INTERESTING ASPECT OF MINTRADE OFFICIAL'S COMMENTS IS GREAT EMPHASIS HE PLACED ON IDEA OF REPRESENTATIONS BEING MADE BY BOYCOTTED COMPANIES DIRECTLY TO THE COMMITTEE. IMPORTANCE OF THIS IN BARCLAY'S CASE WAS NOTED REFTEL.

FOR COMPANIES LIKE BARCLAYS, AGAINST WHOM BOYCOTT ACTION WAS ONLY RECENTLY TAKEN AND WAS NEVER COMPLETELY EFFECTIVE, REPRESENTATIONS TO BOYCOTT COMMITTEE STRESSING IMPORTANCE OF WHAT THEY ARE CURRENTLY DOING IN ARAB WORLD ARE AN EASY MATTER. THE SAME IS TRUE FOR COMPANIES THAT HAVE MERELY BEEN WARNED OR QUESTIONED. HOWEVER, THIS APPROACH NOT OPEN TO FIRMS LONG EXCLUDED BY BOYCOTT ACTION FROM DOING BUSINESS IN ARAB STATES. (FORD, WHICH HAS CONTINUED KEEP OPEN ITS ALEXANDRIA PLANT, MAY BE PARTIAL EXCEPTION HERE).

7. LONG-BOYCOTTED FIRMS CAN, OF COURSE, TALK ABOUT WHAT THEY INTEND TO DO IN ARAB COUNTRIES IF PERMITTED TO OPERATE, BUT THIS OBVIOUSLY LESS TANGIBLE. THIRD
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APPROACH, TO EMPHASIZE WHAT FIRMS ARE NOT DOING OR HAVE CEASED TO DO IN ISRAEL OR TO ATTEMPT TO EXPLAIN OR JUSTIFY THESE ACTIVITIES APPEARS TO BE LARGELY FORECLOSED BY NEW US ANTI-BOYCOTT LAW.
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Message Attributes

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Sent Date: 01-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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